

Message Text

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PAGE 01 BRUSSE 11809 132207Z
ACTION EUR-12

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TAGS: GR, C
SUBJ: COUNCIL OF AGRICULTURAL MINISTERS MEETING -
SEPTEMBER 13

REFS: (A) COPENHAGEN 5347 (B) BRUSSELS 6334 (C) EC A-272

1. SUMMARY: IN BRIEF FORMAL SESSION, THE EC COUNCIL OF AGRICULTURAL MINISTERS AGREED TO A DEVALUATION OF THE DANISH GREEN RATE IN LINE WITH THE KRONER DEVALUATION OF AUGUST 28. THE MINISTERS ALSO DISCUSSED WINE AND HOPS
END SUMMARY.

2. THE EC AGRICULTURAL MINISTERS AGREED TO DEVALUE THE GREEN KRONER AT A IEF FORMAL SESSION THIS MORNING. THE MINISTERS
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HAD GATHERED FOR THE TRADITIONAL INFORMAL MEETING (LARGELY SOCIAL IN NATURE) HOSTED BY THE COUNTRY ASSUMING THE COUNCIL PRESIDENCY. (IN THIS CASE BELGIUM). BECAUSE OF THE REFUSAL OF SEVERAL MEMBER STATES TO AGREE TO A DEVALUATION OF THE GREEN KRONER VIA THE WRITTEN PROCEDURE, IT S DECIDED THAT A FORMAL SESSION WOULD BE CONVENED TO DEAL WITH THIS QUESTION.

3. THE DANISH KRONER IS DEVALUED BY 5 PERCENT ON AUGUST 28, 1977 THE DANES IMMEDIATELY REQUESTED THAT THE COUNCIL APPROVE A CORRESPONDING DEVALUATION OF THE DANISH GREEN RATE SO AS TO AVOID THE NEED TO APPLY MONETARY COMPENSATORY AMOUNTS (MCA'S) TO DANISH FARM TRADE (REF.A) DENMARK IS THE ONLY EC MEMBER COUNTRY WHICH MCA'S DO NOT APPLY. ACTION ON THE DANISH REQUEST WAS DELAYED BY THE FRENCH, ITALIAN AND UK DELEGATIONS. THESE DELEGATIONS WERE MOTIVATED BY TWO CONSIDERATIONS: A) THEY FELT THAT CHANGES IN GREEN RATES WERE OF SUFFICIENT IMPORT-RKSCE TO WARRANT DISCUSSION BY THE COUNCIL AND B) THEY WISHED TO DRAW ATTENTION TO THEIR EARLIER REQUESTS FOR ADJUSTMENTS IN MCA'S. THE UK HAS BEEN PARTICULARLY CONCERNED ABOUT THE CALCULATION OF MCA'S FOR PIGMEAT PRODUCTS. (REF. B).

4. AGREEMENT WAS REACHED AT TODAY'S MEETING RELATIVELY QUICKLY. IN RETURN FOR AGREEMENT TO THE DEVALUATION, THE COMMISSION COMMITTED ITSELF TO AN EXAMINATION OF THE QUESTION OF PIGMEAT MCA'S AND THEIR RECOMMENDATIONS CONCERNING THIS PROBLEM ARE INCORPORATED IN THE OVERALL COMMISSION PROPOSAL FOR THE REFORM OF MCA'S, WHICH IS EXPECTED TO PRESENTED IN EARLY OCTOBER. ALSO, THE DANISH MINISTER REPORTEDLY AGREED TO CONSIDER THE PROPOSALS ON PIGMEAT MCA'S WITH "AN OPEN MIND".

5. TWO OTHER ITEMS RE INSERTED ON THE AGENDA OF THE COUNCIL MEETING:

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A. WINE. THE FRENCH REQUESTED AIDS FOR THE USE OF GRAPE MUSTS ENRICH WINE. THE COMMISSION ASKED THEM TO SUBMIT MORE DETAILED INFORMATION CONCERNING THE NEED FOR THESE AIDS AND THE COST INVOLVED.

B. HOPS. THE GERMAN DELEGATION ASKED THAT SPECIAL INTERVENTION MEASURES TAKEN TO RELIEVE RPLUS PRESSURES ON THE EC HOPS MARKET. SUCH MEASURES ARE OPPOSED BY THE COMMISSION WHICH COUNTERED BY PROMISING TO SPEED UP PAYMENT OF VARIETAL CONVERSION EMIUMS (REF. C.) AND PRODUCER SUBSIDIES AND BY PROPOSING THE INTRODUCTION OF STORAGE AIDS. THE COMMISSION PLANS TO ADOPT THE DETAILED RULES NECESSARY TO IMPLEMENT THE VARIETAL CONVERSION OGRAM WITHIN A MONTH. COMMISSION OFFICIALS TELL US CONFIDENTIALLY THAT IT IS THEIR INTENTION TO WORK WITH PRODUCER GROUPS SO AS TO COURAGE THEM TO UTILIZE THE PREMIUMS AS GRUBBING GRANTS. CONVERSION PREMIUMS ARE PAID THROUGH PRODUCER GROUPS. IN ORDER TO QUALIFY FOR PAYMENT, A REDUCTION IN THE HOPS AREA OF THE PRODUCER GROUP OF AT LEAST 40 PERCENT MUST MADE. HOWEVER, LARGER REDUCTIONS IN AREAS WOULD POSSIBLE. THE COMMISSION ALSO PROMISED TO ADVANCE THEIR REPORT THE HOPS SITUATION ALONG WITH THEIR RECOMMENDATIONS FOR PRODUCER SUBSIDIES FOR THE 1977

CROP JANUARY 1978. (INSTEAD OF JUNE 1978). FINALLY, THE
COMMISSION PROPOSED THAT AIDS FOR THE STORAGE OF HOPS BE INTRO-
DUCED. BOTH THE PROPOSAL FOR STORAGE AID AND FOR EARLY PAYMENT
OF PRODUCER SUBSIDIES WOULD REQUIRE COUNCIL APPROVAL.HINTON

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